

Review of Operations and Prospects 業務回顧及展望

Review of Operations

Business park projects

Vision Shenzhen Business Park ("VSBP")

The VSBP site, with an area of 33.8 hectares, is situated within the Shenzhen High-tech Industrial Park. It is strategically located near a planned subway station and adjacent to the Shenzhen end of the Western Corridor, a cross-sea bridge connecting Hong Kong with Shenzhen. Expected to be operational by the end of 2006, this bridge will substantially cut traveling time between the two cities and encourage further economic integration between Hong Kong and the Pearl River Delta region.

Completed in 2001, phase 1 of VSBP comprises two 5-storey buildings, with a combined gross floor area of 23,500 sm. Despite strong competition, phase 1 of VSBP achieved an occupancy rate of 93% as at 30 September 2005, with 32 tenants of multinational corporations and local high-tech companies in operation. To sustain this robust performance and stay ahead of the market place, we provide a consistent and high quality of international standard of value-added services to all our tenants, in addition to a conducive physical space. This has differentiated VSBP from its numerous competitors within the Shenzhen High-tech Industrial Park and throughout Shenzhen. Accordingly, VSBP has become a location of choice and is synonymous with a quality work environment.

After a long delay, the construction of the first part of phase 2 of VSBP started in March 2005. The first part will consist of 2 blocks of business park space and an amenity center, with a total gross floor area of about 45,500 sm. Expected to be completed and ready to receive its first tenant in early 2006, the space will be suitable for users engaged in the technology, IT-related business and research/development activities. Already, initial marketing to secure tenants for this space has commenced. The introduction of the amenity center is expected to be an added attraction since it will widen the range of services that can be rendered to the people working within the business park.

業務回顧

商業園項目

深圳威新軟件科技園(「深圳威新」)

深圳威新位處深圳市高新技術產業園內，佔地33.8公頃，位置盡享策略優勢，鄰近一個已規劃地鐵站，毗鄰連接深港兩地之跨海大橋－西部走廊深圳一端。預期該大橋於二零零六年底前投入使用後，將可大幅縮短穿梭兩地之交通時間，並將進一步促進香港與珠三角地區之間之經濟一體化。

深圳威新第一期於二零零一年竣工，包括兩幢五層大樓，總樓面面積23,500平方米。儘管競爭激烈，深圳威新第一期仍於二零零五年九月三十日錄得93%之出租率，由32家跨國公司及內地高科技公司租用。為保持其優越表現及領導市場地位，本集團除為所有租戶提供寬敞建築場所外，亦持續提供優質及具國際水準之增值服務，這使深圳威新從深圳高新技術產業園乃至整個深圳之眾多競爭對手中脫穎而出。因此，深圳威新成為眾多企業之首選之地，亦成為優質工作環境之代名詞。

於工程長期延誤後，深圳威新第二期第一部份之工程於二零零五年三月動工。該第一部份將包括兩座商業園及一幢康樂中心，總樓面面積約45,500平方米。預期將於二零零六年年初竣工並接納其首個租戶。該部份將適合從事科技、資訊科技相關業務及研究／開發活動之公司使用。此外，該部份亦已初步展開市場推廣活動以確保租戶入駐。新增康樂中心預期將成為另一個賣點，因其可向在商業園工作之人士提供更全面服務。

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During the review period, the Group started the process to obtain the requisite approvals to commence the development of the second part of phase 2, which will have a total gross floor area of some 75,500 sm. It is hoped that construction of this part can start by early 2006 after all approvals are in place.

The last undeveloped site under phase 3 has an area of 25 hectares. The submission process to obtain full approval for the master plan for this phase started in August 2005. When fully developed, this phase will create over 400,000 sm of gross floor area and become a landmark project in Shenzhen.

The Group is committed to fully develop this phase 3 site and hopes to secure the necessary approvals in due course and to persuade the Shenzhen authorities to extend the construction deadline to beyond 31 December 2005.

Vision International Centre, Beijing

This joint venture project with Tsinghua Science Park Co., Ltd, a subsidiary of the prestigious Tsinghua University in Beijing, is a 13-storey high quality and state-of-the-art business park facility located within the Tsinghua Science Park in Zhongguancun, Haidian district, Beijing. Completed in September 2004, this facility yields a gross floor area of about 33,000 sm of fully wired-up space, suitable to multi-national corporations and domestic companies engaged in technology and IT-related business; research-based activities in biomedical and pharmaceutical; and education related to technology, multi-media and animation.

Strategically located in the Zhongguancun - often referred to as China's Silicon Valley - the building has received much acclaim since its completion and is today a landmark within its surroundings. As at 30 September 2005, 96% of the building was already occupied by or committed to a list of high profile tenants such as SOHU.com, Juniper Networks and Sun Microsystems. The small retail component boasts of several food and beverage outlets, including Starbucks.

回顧期間內，本集團開始申請以獲得第二期第二部份發展動工所需之批文。該部份總樓面面積約75,500平方米，其工程有望在獲得所有批文後於二零零六年初動工。

第三期餘下未發展之地盤佔地25公頃。本集團已於二零零五年八月申請該期工程主計劃所需之全部批文。在全部開發之後，該期總樓面面積將逾400,000平方米，從而成為深圳之地標項目。

本集團致力於全面開發該第三期地盤，冀望於適當時間確保獲得所需批文，並游說深圳有關部門延長建築期限至二零零五年十二月三十一日以後。

威新國際大廈，北京

威新國際大廈乃本集團與著名北京清華大學之附屬公司清華科技園股份有限公司之合資項目，為13層高之高檔次商業園設施，位處北京海淀區中關村清華科技園之內。於二零零四年九月落成，該設施之樓面面積約達33,000平方米，所有單位之線路配備齊全，適合從事科技及資訊科技相關業務、生物醫藥研究以及科技、多媒體及動畫製作相關教育活動之跨國公司及國內公司使用。

威新國際大廈位處策略性位置中關村(常被指為中國之矽谷)，自其落成以來一直獲得多項讚譽，時至今日已成為該區之地標。於二零零五年九月三十日，大廈96%之單位已出租或承諾出租予多個著名租戶，如搜狐、Juniper 網絡及Sun Microsystems。其小規模之零售部分包括若干餐飲設施，如星巴克。

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In 2004, the development company of Vision International Centre granted options to buy six floors (with a total gross floor area of about 15,500 sm) and a certain number of car parking space to SOHU.com at a total consideration of between RMB244 million to RMB253 million (approximately HK\$230.2 million to HK\$238.7 million) calculated according to the terms of the options as set out in the agreement entered into on 12 September 2004. Such options can be exercised by SOHU.com by 31 December 2006.

Completed residential projects in China

The Group's two high-rise residential projects in China, namely, Scenic Place (phase 1) in Beijing and The Ninth ZhongShan in Dalian were completed in 2004.

Located in the Xuanwu district, Beijing between the West Second Ring Road and West Third Ring Road, Scenic Place (phase 1) consists of three blocks of 788 apartments, of which 783 apartments had been sold as at 30 September 2005. The remaining five units were temporarily used to house recreational and convenience facilities for owners and occupants.

The plan to develop the remaining site under phase 2 of Scenic Place had to be halted when a principal requirement could not be fulfilled by the stipulated deadline of 31 August 2004 pursuant to new regulations promulgated by the Beijing Land Bureau in April 2004. In accordance with the terms and conditions of the agreements entered into in 1998 relating to the acquisition of the site, the Group had paid substantial advance payments relating to this site. To protect its position, the Group commenced the due legal process during the period under review to claim for the refund of the said advance payments. Concurrently, the Group actively explored all feasible options to reach an optimal outcome from this situation. As at the date of this report, there were encouraging signs that a breakthrough leading to an amicable settlement could be reached.

於二零零四年，威新國際大廈之發展公司向搜狐授出選擇權，購買該大廈共六層（總樓面面積約15,500平方米）及若干泊車位，總代價根據二零零四年九月十二日訂立之協議所載之選擇權條款計算介乎人民幣244,000,000元至人民幣253,000,000元（約港幣230,200,000元至港幣238,700,000元）。該等選擇權可由搜狐於二零零六年十二月三十一日前行使。

已落成之中國住宅項目

本集團於中國之兩項高層住宅項目，即北京蝶翠華庭（一期）及大連中山九號於二零零四年落成。

蝶翠華庭（一期）位於北京宣武區西二環路與西三環路之間，包括三幢住宅大樓共788間公寓，其中783間公寓已於二零零五年九月三十日出售。餘下五間公寓暫時用作業主及租戶之文娛康樂及便利設施。

由於在根據北京土地管理局於二零零四年四月頒佈之新法規所規定之法定期限二零零四年八月三十一日前，仍未完全履行主要規定，故發展蝶翠華庭第二期餘下土地之計劃不得不擱置。根據於一九九八年就收購該地盤而訂立之協議之條款及條件，本集團已為該地盤支付巨額墊款。為維護其利益，本集團於回顧期內開始提出法律訴訟，要求退還上述墊款。同時，本集團積極探求一切可行辦法，以求事件達致最佳結果。於本報告日期，訴訟取得積極突破，有望取得和解。

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The Ninth ZhongShan in Dalian consists of two towers, one 30-storey and the other 32-storey. Located in the core of Dalian's central business district, this development offers panoramic views of the city and its coastline. In response to the strong market demand for smaller 1-bedroom apartments, some reconfiguration of the floor area of certain floors was undertaken during the second quarter of 2005 to create more such apartments. This exercise raised the number of available apartments from 432 to 439. As at 30 September 2005, 216 apartments, representing 49% of the total, had been sold.

Bearing the brunt of the government measures introduced in about April and May 2005 to dampen rampant speculation and soaring housing prices, the rate of sale of apartments had slowed since May 2005. However, the Group believes that the underlying demand for good quality well-located housing remains fundamentally strong and that buying sentiments could return quite quickly.

Completed apartments in Hong Kong

The strong growth of the Hong Kong economy in 2004 continued into the first nine months of 2005 and the Group sold five apartments at Elite Court in Sai Ying Pun at higher than expected prices. As at 30 September 2005, the Group held only one apartment in Elite Court. Meanwhile, the Group continued to hold the 133 car parking spaces at the Greenery Place in Yuen Long, having failed to secure any offer in a public tender conducted in March 2005.

大連中山九號包括兩幢大樓(一幢30層高及另一幢32層高)。地處大連商業區中心地段，該發展項目座擁大連之全城美景及沿海風光。因應市場對小戶型一居室公寓之殷切需求，若干樓層之樓面已於二零零五年第二季進行改建，以增設更多小戶型公寓。此舉令可供入伙公寓數目由432間增至439間。於二零零五年九月三十日，佔全部公寓49%之216間公寓已售出。

於二零零五年四月及五月前後，政府引入措施壓抑炒房熱及飆升房價，受其沖擊，公寓出售率已於二零零五年五月起有所回落。然而，本集團相信，對地處理想地段之優質房屋之有關需求基本上仍然殷切，故購房意欲可能會很快回升。

已落成之香港公寓

香港經濟於二零零四年之強勁增長持續到二零零五年前九個月，本集團已出售西營盤雅賢軒之五間公寓，售價高於預期。於二零零五年九月三十日，本集團僅持有雅賢軒一間公寓。同時，本集團繼續持有元朗翠韻華庭之133個泊車位，未能於二零零五年三月之公開招標中取得任何投標。

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Prospects

Following the completion of the divestment of the non-performing and non-core assets in 2004, the Group has become predominantly focused in property development, investment and management activities in China during the review period. The Group will continue to pursue improvements in operational efficiencies, stringent cost management and optimal allocation of capital and resources. The foremost priority is to extract higher returns from existing portfolio of assets and those which are under construction or may be acquired in the future. The Group's strategy to increase investments in China is based on the belief that the country is well positioned to continue to grow and that the long term outlook for the real estate sector remains fundamentally positive, with strong underlying demand across all segments. The Group will explore business opportunities in coastal and inland cities with the potential to meet the Group's risk-adjusted return expectations.

The Group expects the operating results for the current financial year to remain profitable, barring unforeseen circumstances.

展望

於二零零四年完成分拆表現欠佳及非核心資產後，於回顧期內本集團首要集中於中國之物業發展、投資及管理業務。本集團將不斷改善營運效率、收緊成本管理及妥善分配資金及資源。本集團之首要工作是從現有資產組合、建設中資產及將來可能收購之資產中取得更高回報。本集團之策略為增加在中國之投資，此乃基於深信中國正處於持續增長階段，且房地產業務之長遠前景基本看好，各分部均有強勁之相關需求。本集團將於沿海及內陸具有潛力之城市發掘商機以滿足本集團經風險調整之回報預期。

撇除不可預見之情況下，本集團預期本財政年度之經營業績仍有溢利。